



## OPTIMIZATION OF IMPLEMENTATION OF THE ISLAMIC SOCIAL ENTERPRISE IN MUHAMMADIYAH HIGHER EDUCATION

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### Abstract

*Research Aims:* This study aims to optimize the implementation of Islamic Social Enterprise (ISE) in Muhammadiyah higher education institutions by identifying challenges and opportunities. It aims to establish a framework that enhances the role of these universities as socially responsible organizations guided by Islamic values.

*Design/Methodology/Approach:* A qualitative approach is used, involving case studies and in-depth interviews with university leaders, social enterprise managers, faculty, and students engaged in ISE activities. Data are collected through document analysis and thematic coding to uncover key factors affecting ISE success.

*Research Findings:* The findings indicate that Muhammadiyah universities have initiated ISE activities but face challenges, including limited awareness, resource shortages, and a weak integration of ISE principles into their strategies. Successful cases underscore the importance of leadership commitment, community engagement, and transparent governance in enhancing social and financial outcomes.

*Theoretical Contribution/Originality:* This research makes a significant contribution by linking Islamic social entrepreneurship with higher education management, presenting a unique model tailored to Muhammadiyah universities. It integrates Islamic ethics and social enterprise theory, offering fresh insights into value-driven institutional practices.

*Practitioners/Policy Implications:* The study provides practical recommendations for university leaders and policymakers, including enhanced training in Islamic entrepreneurship, strengthened community partnerships, and improved resource management to support sustainable Islamic Social Entrepreneurship (ISE) development.

*Research Limitations/Implications:* The study's limitations include its focus on Muhammadiyah institutions, which limits their broader applicability, and its reliance on qualitative data, which restricts the assessment of measurable impact. Future studies should expand the scope and use mixed methods to validate further and improve the ISE implementation model.

*Keywords:* Islamic Social Enterprise (ISE), Muhammadiyah Higher Education, SWOT, IFAS-EFAS interaction method



## Introduction

Islamic Social Enterprise (ISE) is deeply rooted in the Islamic *muamalah* system, where social and economic activities align with Sharia principles (Kamaruddin & Auzair, 2019; Muhamed et al., 2018). It represents a *fard kifayah* obligation, ensuring collective societal welfare through economic empowerment, social justice, and sustainable development (Nurul Aini et al., 2016). The significance of ISE lies in its ability to foster positive relationships between humans and their Creator (*hablum minallah*), humans and society (*hablum minannas*), and humans and nature (Kamaruddin & Auzair, 2019; Zainon et al., 2023). This concept is not foreign to Islam, as entrepreneurship has played a crucial role in its propagation since the early days of Islamic civilization (Boulven et al., 2018).

The origin of Islamic social entrepreneurship is also rooted in the teachings of the word of Allah SWT in the Al-Qur'an, Surah Al-Baqarah (2): 245. Social entrepreneurship aims to help a fellow man in an activity to make peace there (Dusturias, 2021). Additionally, in the Al-Qur'an, Surah Al-Baqarah (2:177), Islam requires its people to assist one another. It can be concluded that Islamic social enterprise (ISE) aligns with Sharia values, such as empathy for fellow humans and the promotion of well-being. Based on programs, *Islamic social enterprise* (ISE) has been applied by various institutions, organizations, groups, the public, and individuals, including one of the largest Islamic organizations in Indonesia, *Persyarikatan Muhammadiyah*.

Identity *Muhammadiyah* strengthens the social denominator bond between people. Therefore, in carrying out its mission, Muhammadiyah must establish itself as a social enterprise, a benefit producer, and a profit maker. That is how *Muhammadiyah* can operate its mission and remain independent in financial activities and preaching.

*Muhammadiyah*, a non-profit organization (NPO) (Mu'thi et al., 2015; Nashir, 2015), manages assets and endowments through an approach to social (Nashir, 2015). Non-profit organizations must focus on professionalization, impact, social, and sustainability finance organizations (Junarti et al., 2021; Ogliastri et al., 2015). *Muhammadiyah* social enterprise (*Amal Usaha Muhammadiyah*) is an excellent concept in *Muhammadiyah* for managing assets, waqf, and non-waqf (Elhady, 2017) under the councils. *Amal Usaha Muhammadiyah (AUM)* encompasses educational institutions, hospitals and clinics, home care services, places of worship (mosques and prayer rooms), and homes for the poor. According to the Shari'a and da'wah for community development, the research is related to daily social and personal life (Nashir, 2015).



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Since its early years, Muhammadiyah has managed assets worth approximately Rp 278 billion (Muhammadiyah, 2015). Although KH Ahmad Dahlan faced financial difficulties in 1914, he even had to sell his assets to pay teachers' salaries (Syukriyanto, 2018). Muhammadiyah eventually grew into one of the wealthiest Islamic organizations in Indonesia (Nashir, 2015). This success was driven by effective social business management through internal programs and external funding from institutions such as Islamic banks (PP-Muhammadiyah, 2015). Initially focused on education and healthcare (Mu'thi et al., 2015), Muhammadiyah has since expanded into various financial and business sectors, including Baitul Mal wa Tanwil, Sharia People's Credit Bank (BPRS), printing companies, and the BUEKA business group (Nashir, 2015).

One of the key success stories of ISE within Muhammadiyah is the University of Muhammadiyah Malang (UMM), which has demonstrated remarkable growth by expanding its land assets from 1,700 m<sup>2</sup> in 2008 to 264,443 m<sup>2</sup> (Nurhakim, 2010). This suggests that higher education institutions affiliated with Muhammadiyah (Perguruan Tinggi Muhammadiyah/Aisyiyah PTMA) can potentially improve their financial sustainability and social impact by optimizing ISE models. Despite ISE's growing importance, existing research has primarily focused on its conceptual framework and implementation in general Islamic organizations. Limited studies have explored the strategies and challenges that Muhammadiyah's higher education institutions face in optimizing ISE models. Moreover, the impact of digital transformation, technological advancements, and evolving economic landscapes on ISE within PTM remains underexplored.

This study addresses these gaps by analyzing AUM's strengths, weaknesses, opportunities, and threats (SWOT) within Muhammadiyah higher education. By developing an optimized implementation model for ISE in PTM, this research contributes to the sustainability and resilience of Islamic social enterprises in the face of the Fourth Industrial Revolution. The novelty of this study lies in its focus on integrating ISE principles with digital innovation and financial sustainability strategies within Muhammadiyah higher education institutions, ensuring their continued growth and impact in the contemporary era.



## Literature Review

### ***Social Enterprise***

According to the Organisation for Economic Co-operation and Development (European Commission, 2013) in the *Policy Brief on Social Entrepreneurship*, a social enterprise is an activity in the private sector that uses Private Higher Education entrepreneurial strategies to achieve economic and social benefits for society. Additionally, social enterprises can provide innovative solutions to social and unemployment issues. Social effort is a business that explicitly addresses social, community, and environmental aspects through a structured approach, guiding it towards continuity (Bull & Crompton, 2006a). (Yulius et al., 2015a) revealed that there are four criteria for recognizing business m in Indonesia as business social, including:

1. The main purpose of an organization is to produce social impact. That matter can be identified from the company's vision and mission, as well as how it consistently conveys and communicates its commitment to positively impacting society and the public.
2. It is an operating business model that guides the company toward its objective social impact. The business model designates how the company can serve groups that are not served or only partially included in the public segment pyramid.
3. Social enterprises strike a balance between profitability and impact targets. Although the business model aims to generate a return on capital, its primary objective is not to maximize profit. A social enterprise sets performance targets for the company and tracks metrics that impact social responsibility.
4. Social enterprises invest in social returns, generating profit through a social model. When the company generates a profit, it will maximize social impact through an investment return proportionate to the funds' size as part of a social business model.

### ***Islamic Social Enterprise (ISE)***

The ISE concept is an alternative solution to social problems, including unemployment, economic issues, education, gender, health, and environmental concerns. *Islamic social entrepreneurship* must be based on the Quran and the Hadith, and the principles of al-Maqasid al-Shari'ah must be utilized to achieve al-Falah. Apart from that, it is a needed aspect supporter other (Listyadew et al., 2022) include:

1. The Islamic concept is Tawhid, which encompasses the Rukun iman, Pillars of Islam, and Ihsan.



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2. Draft help in problem-solving social issues such as justice and welfare.
3. Draft distribution riches, namely Zakat and Waqf.

Islam emphasizes the importance of helping others through social enterprise in various ways throughout the Quran (IslamMolla et al., 2015). *Islamic Social Enterprise* combines Social Enterprise goals with Islamic teachings and values, comprising social, economic, and Islamic principles and values. (Listyadew et al., 2022; Mulyaningsih & Ramadani, 2016)

### **Muhammadiyah Higher Education**

*Muhammadiyah* College, called PTM, is a charity for *Muhammadiyah's* efforts in the field of higher education that is inspired and based on Al-Islam and *Muhammadiyah* values at the level of ideological-philosophical and practical-applicable (Arifin, 2015; Setiawan et al. 2022) as well as one strength for the continuity and continuation of Muhammadiyah in reaching the goal of movement da'wah and *tajdid* that crosses the ages (Muhammadiyah, 2012; Nashir, 2015).

One distinguishing characteristic that adds value to Muhammadiyah-affiliated Private Higher Education Institutions (PTM) compared to other private universities lies in its structured governance system, which is supported by autonomous organizations (ortom) within Muhammadiyah (Setiawan & Prabowo, 2022). These internal bodies possess a specific authority facilitating integration and strengthening the sense of brotherhood among PTMs. Furthermore, the Council for Higher Education, Research, and Development (Diktilitbang) under the Central Board of Muhammadiyah is pivotal in guiding and coordinating PTMs. This centralized oversight enables effective monitoring and continuous support to enhance the overall quality of higher education within the Muhammadiyah network (Fauzalia & Harmonis, 2022).

According to the 47th Muhammadiyah Congress held in 2015 (Muhammadiyah, 2015) Muhammadiyah established 171 higher education institutions. Following some institutional mergers and transfers, Muhammadiyah and Aisyiyah maintained 171 colleges, consisting of 84 universities, 26 institutes, 53 tertiary schools (Sekolah Tinggi), 6 polytechnics, and 1 academy. Since 2019, several institutions have undergone mergers to improve organizational efficiency and academic quality.



## Research Methods

The data analysis employed in this study is qualitative, which will then be transformed into quantitative data using the SWOT analysis framework (Rangkuti, 2014; Ruslaini, 2020). The findings from this analysis will be interpreted through qualitative explanation. The approach utilizes the IFAS (Internal Factors Analysis Summary) and EFAS (External Factors Analysis Summary) matrices to identify a range of strategic alternatives, prioritized according to their importance scale (Rusydiana et al. 2018). The following steps outline the application of the IFAS-EFAS model:

1. Identify internal and external factors through learning documents, literature studies, published news media, field surveys, and interviews with experts and practitioners.
2. Drafting Questionnaire: A questionnaire evaluates respondents' responses to the formulated factors.
3. Determination of Respondents: Respondents are determined by considering the respondent's expertise and relevance to the problem being studied.
4. Weighting of Questionnaire Results: Identify strengths, weaknesses, opportunities, and threats.
5. Strategy Formulation, the results of weighting the IFAS—EFAS SWOT questionnaire for each indicator are carried out through combination interactions and strategies, including internal and external combinations.

## Results and Discussion

After conducting observations of the research object and collecting questionnaire responses from selected respondents, the researcher identified internal and external factors. These factors are categorized into strengths, weaknesses, opportunities, and threats, as presented in the following table:

**Table 1**  
**Indicators – SWOT Indicators**

Indicator	Description
Strength	<ol style="list-style-type: none"> <li>a. PTM is directly involved in solving community problems</li> <li>b. Manage ZIS funds from employees and lecturers well</li> <li>c. Orderly carrying out monthly recitations (including <i>baitul arqam</i> for students and lecturers)</li> <li>d. PTM can use and follow current advances in information technology</li> </ol>





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Weaknesses	<ul style="list-style-type: none"> <li>a. Employee welfare has not yet become PTM's main priority</li> <li>b. Have not fulfilled the rights and obligations of employees, lecturers, and students properly</li> <li>c. There is no Islamic Entrepreneurship Center yet</li> <li>d. PTM is still improving the optimization of the business ecosystem to ensure independence and sustainability</li> </ul>
Opportunities	<ul style="list-style-type: none"> <li>a. Most of the local people are Muslim</li> <li>b. Economic problems and social welfare in society are diverse</li> <li>c. Technology is developing rapidly</li> </ul>
Threats	<ul style="list-style-type: none"> <li>a. Higher education is superior and innovative.</li> <li>b. The business ecosystem at other universities is running very well</li> <li>c. Being directly involved in society requires funding</li> <li>d. There are many state campuses with superior accreditation</li> </ul>

Source: Author (2024)

After Internal factors in strengths and weaknesses and external factors in opportunities and threats, steps furthermore to determine IFAS – EFAS weighting as follows:

**Table 2**  
**Evaluation Internal Factors Analysis System (IFAS) Weight**

No	Strengths	Weight Relatively	Ratings	Weight x Rating
1	Involved in solving problems all around the environmental institution	0.11	4	0.46
2	The institution Collects and distributes Zakat and Alms from employees and lecturers	0.12	4	0.48
3	The institution orderly carries out recitation monthly (including Baitul Arqam lecturers and students)	0.12	4	0.49
4	Employee capable of using and following progress technology	0.12	3	0.36
<b>Total S ( Xsi )</b>		<b>0.48</b>	<b>15.00</b>	<b>1.79</b>
No	Weaknesses	Weight Relatively	Ratings	Weight x Rating
5	The institution puts first the well-being of employees and lecturers	0.10	4	0.41
6	Your obligations and rights are fulfilled, and the appropriate time	0.10	4	0.40
7	Institutions have an appropriate work program with the need ummah	0.11	3	0.34



8	Center for Islamic Entrepreneurship Studies on your campus can afford to become a source of knowledge on Social Business Islamic	0.10	3	0.31
9	The institution can afford to create an ecosystem business to guarantee independence and sustainability	0.10	3	0.31
<b>Total W ( Xwi )</b>		<b>0.52</b>	<b>17.00</b>	<b>1.77</b>
<b>Xi = ( Xsi+Xwi )</b>		<b>31.57</b>		
<b>Bs = ( Xsi /Xi)</b>		<b>0.48</b>		
<b>Bw = ( Xwi /Xi)</b>		<b>0.52</b>		

Source: Data Processed (2023)

**Table 3**  
**Evaluation Weight External Factors Analysis System (EFAS)**

No	Opportunities	Weight Relatively	Ratings	Weight x Rating
1	The majority public environment around institution Muslim	0.22	4	0.89
2	Development increasingly technology fast	0.20	4	0.81
3	Society faces various problems in the economy and social welfare.	0.20	4	0.80
<b>Total O (Xoi)</b>		<b>0.62</b>	<b>12.00</b>	<b>2.50</b>
No	Threats	Weight Relatively	Ratings	Weight x Rating
4	Other universities' work programs are more innovative	0.11	2	0.21
5	Funding is an obstacle to getting involved directly in the community	0.09	3	0.28
6	Other universities have a much better business ecosystem	0.10	3	0.29
7	Accreditation is the main standard for society to choose a University	0.08	2	0.16
<b>Total T ( Xti )</b>		<b>0.38</b>	<b>10.00</b>	<b>0.94</b>
<b>Xi = ( Xoi+Xti )</b>		<b>20.48</b>		
<b>Bo = ( Xsoi /Xi)</b>		<b>0.62</b>		
<b>Bt = ( Xti /Xi)</b>		<b>0.38</b>		

Source: Data Processed (2024)





1. The strength factor with the highest rating value is that your institution regularly conducts monthly recitations (including Baitul Arqam for both lecturers and students).
2. The institution's lowest rating value is due to the lack of an Islamic business center and ecosystem to guarantee independence and sustainability.
3. The opportunity factor with the highest rating value is that most people in the surrounding environment are Muslim.
4. The opportunity factor for having the lowest rating value is that accreditation is the leading standard for society when choosing a University.

**Table 4**  
**Matrix IFAS-EFAS SWOT Interaction**

<div style="position: relative; height: 980px;"> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0;"> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0; border: 1px solid black; transform: rotate(45deg);"></div> </div> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0;"> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0; border: 1px solid black; transform: rotate(-45deg);"></div> </div> </div> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0;"> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0; border: 1px solid black; transform: rotate(45deg);"></div> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0; border: 1px solid black; transform: rotate(-45deg);"></div> </div>	<p><b>Strengths:</b></p> <ol style="list-style-type: none"> <li>1. Directly involved in solving the problems of the ummah</li> <li>2. Good management of Zakat, Infaq, and alms funds</li> <li>3. Orderly carrying out monthly recitation / baitul arqom</li> <li>4. Able to use and keep up with current information technology advancements</li> </ol> <p style="text-align: right;"><b>Weight: 1,788</b></p>	<p><b>Weaknesses:</b></p> <ol style="list-style-type: none"> <li>1. Employee well-being is not yet a top priority</li> <li>2. Sometimes there are still rights and obligations that are neglected</li> <li>3. Not yet have an Islamic Entrepreneurship Centre</li> <li>4. Does not have a business ecosystem to ensure independence and sustainability</li> </ol> <p style="text-align: right;"><b>Weight: 1,773</b></p>
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<b>Opportunities:</b> 1. Most of the people around the world are Muslims 2. Economic and social welfare problems in a diverse society 3. Technology is developing rapidly.  <b>Weight: 2,497</b>	<b>SO:</b> <b>Optimizing the Tri Dharma of Higher Education to reduce socio-economic problems faced by the surrounding community</b>  <b>Weight: 4,285</b>	<b>WO: Forming a business ecosystem that can balance social and economic activities</b>  <b>Weight: 4,270</b>
<b>Threats:</b> 1. Superior and innovative colleges 2. The business ecosystem at other colleges is doing very well 3. Direct involvement in society requires funding 4. There are many public campuses with superior accreditation  <b>Weight: 0.941</b>	<b>ST: Solving social problems in innovative ways and utilizing technology</b>  <b>Weight: 2,278</b>	<b>WT: Improving the quality of the campus to be able to compete with other universities</b>  <b>Weight: 2,713</b>

Source: Data Processed (2024)

By concise formulation, the results of the IFAS-EFAS matrix based on SO, ST, WO, and WT strategies are evaluated, and the weighting evaluation is carried out to determine the priority scale. Alternative arrangement based on order priority is obtained from sacking matrix SWOT interactions are presented in the following table:

**Table 5**  
**SWOT weighting**

	<b>S = 1,788</b>	<b>W = 1,773</b>
<b>O = 2,497</b>	SO = 4.285	WO = 4,270
<b>T = 0.941</b>	ST = 2.278	WT = 2.713

Source: Data Processed (2024)

From the results of the weighting questionnaire, strategic priorities were arranged based on a combination of strategies, with the highest value down to the lowest.



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**Table 6**  
**Order Alternative SWOT Strategy**

Priority	Strategy	Value Weight
I	<i>Strength – Opportunity (SO)</i>	4,285
II	<i>Weakness-Opportunity (WO)</i>	4,270
III	<i>Strength – Treath (ST)</i>	2,825
IV	<i>Weakness- Threat ( WT)</i>	2,713

Source: Data Processed (2024)

The interaction between the IFAS and EFAS matrices yields several strategic alternatives, including the Strength–Opportunity (SO) strategy, which emerges with the highest weighted score. This indicates that the most appropriate strategic direction involves leveraging internal strengths to capitalize on external opportunities (Rangkuti, 2014; Ruslaini, 2020; Rusydiana et al., 2018). This strategy is highly relevant to promoting and implementing Islamic social entrepreneurship values within society in the context of Muhammadiyah Higher Education Institutions (Perguruan Tinggi Muhammadiyah, or PTM).

One of PTM's key internal strengths is the consistent and structured execution of religious and spiritual development programs, such as the monthly recitations and Baitul Arqam training for lecturers and students (Ilham et al., 2019). These programs serve as a platform for spiritual enrichment and foster a sense of communal engagement involving a broad network of participants (jama'ah) (Amirudin & Basri, 2020; Setianto et al., 2020).

Furthermore, this aligns with the *Tri Dharma Perguruan Tinggi*, the three pillars of higher education in Indonesia, emphasizing the importance of community service alongside education and research (Purnamasari & Rusni, 2019). Thus, integrating Islamic social entrepreneurship into these community-focused religious activities (Stenvall et al., 2017) allows PTM to fulfill its societal mandate while reinforcing its ideological and institutional identity (Stenvall et al., 2017).



**Table 7**  
**Strategy Priority I: *Strength -Opportunity (SO) Strategy***

<b><i>Strength</i></b>	<b><i>Opportunity</i></b>
1. Directly involved in solving the problems of the ummah 2. Good management of Zakat, Infaq, and alms funds 3. Orderly carrying out monthly recitation / baitul arqom 4. Able to use and keep up with current information technology advancements	1. Most of the people around the world are Muslims 2. Economic and social welfare problems in a diverse society 3. Technology is developing rapidly.
<b><i>Strength -Opportunity (SO) Strategy</i></b>	
i. Optimizing the Tri Dharma of Higher Education to reduce socio-economic problems faced by the surrounding community	

Source: Data Processed (2024)

Based on the results known from the previous analysis of internal factors and external factors, they can be summarized as follows:

- a. Strength score = 1.79
- b. Weakness score = 1.78
- c. Chance score = 2.50
- d. Threat score = 0.94

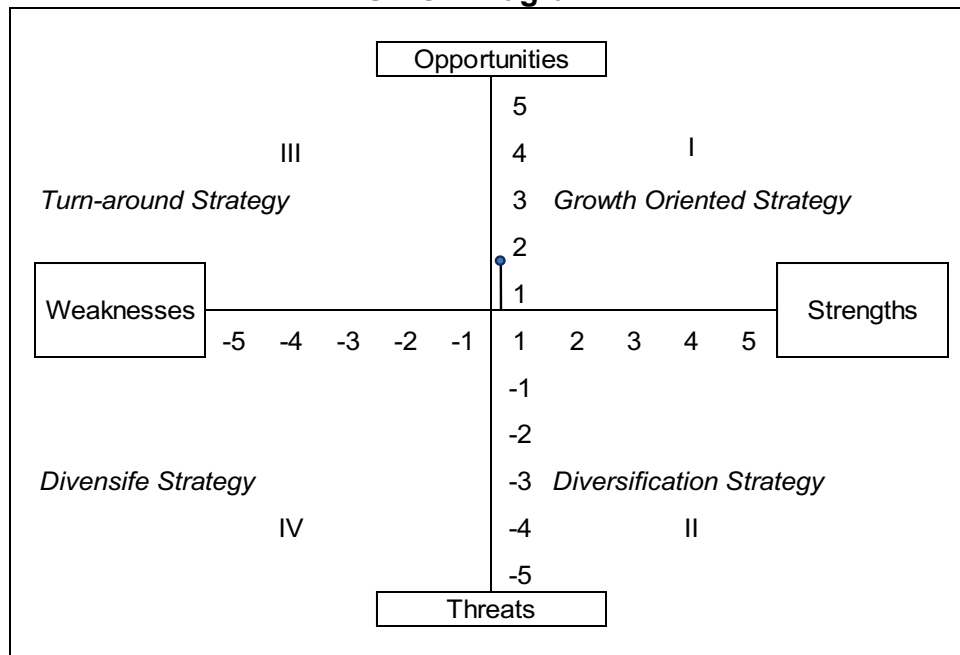
From the results above, the strategy calculation requires confirmation of the position in the cross-axis between strengths and weaknesses, as well as opportunities and threats, all depicted in positive and negative lines. The total strength score remained at 1.79, the total weakness score was 1.78, the total opportunity score was 2.50, and the total threat score was 0.49. To find the coordinates, do the following:

- i. Coordinate Internal Analysis (x)
  - = (Total strength score – Total weakness score): 2
  - = (1.79 – 1.78): 2
  - = 0.005
- ii. Coordinate analysis External (y)
  - = (Total opportunity score – Total threat score): 2
  - = (2.50 - 0.49): 2
  - = 1.005



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**Figure 1**  
**SWOT Diagram**



Source: Data Processed (2024)

Once the diagonal (x) meeting point is known, the optimization position in the I quadrant is profitable. The organization has opportunities and strengths that can be leveraged to exploit existing opportunities and capitalize on its strengths. The strategy that must be implemented in this condition is to support aggressive growth policies, Also Known as a Growth-Oriented strategy. The calculation results for each quadrant can be described as follows:

**Table 8**  
**Calculation Results for Each Quadrant**

Quadrant	Position point	Matrix area	Ranking	Strategy Priority
I	( 2.62 ; 1.79 )	4.46	1	Growth
II	( 2.62 ; 1.77 )	4.43	2	Stability
III	( 1 .04 ; 1.79 )	1.68	3	Downsizing
IV	( 1 .04 ; 1.84 )	1.67	4	Combination

Source: Data Processed (2024)

Based on the research findings presented in Table 8, Muhammadiyah Higher Education Institutions (PTM) have effectively implemented the values of Islamic Social Enterprise (ISE). This



implementation is reflected in various campus activities prioritizing Islamic principles, social benefits, and community empowerment (Elhady, 2017). Core values such as honesty, justice, social responsibility, and sustainability (Yulius et al., 2015) have been embedded into the institutional culture of PTM.

However, while integrating these values is on the right track, several critical aspects still require further attention to enhance PTM's role as an ideal Islamic Social Enterprise. One of the primary areas of concern is the welfare of all campus stakeholders, including employees, lecturers, and students. In this context, welfare encompasses financial compensation, access to supporting facilities, capacity development opportunities, and social and health security (IslamMolla et al., 2015; Selvakumar & Sathyalakshmi, 2015).

Furthermore, there is a pressing need to develop a robust business ecosystem that supports the campus's financial independence and sustainability (Boulven et al., 2018; Yulius et al., 2015). This can be achieved by establishing Sharia-compliant business units (Bull & Crompton, 2006b; Ogliastri et al., 2015), forging strategic partnerships with halal industry players, and leveraging digital technology to optimize services and financial innovations (Nurul Aini et al., 2016). Through these strategic initiatives, PTM can evolve beyond being merely an educational institution to become a center for Islamic social entrepreneurship, one that is financially self-sustaining and can make meaningful contributions to society. These efforts are essential to strengthening PTM's mission of integrating da'wah (Islamic propagation), education, and economic empowerment in a sustainable manner, in line with the principles of Islamic Social Enterprise.

## Conclusion

Muhammadiyah Higher Education represents a philanthropic endeavor in the field of higher education, initiated by Muhammadiyah and grounded in the values of Islam and Muhammadiyah at both the ideological and practical levels. This foundation is one of the key strengths for the continuity and sustainability of the Muhammadiyah movement. In this context, it is relatively feasible for Perguruan Tinggi Muhammadiyah (PTM) to optimize the integration of Islamic Social Enterprise (ISE) values within its management practices. In alignment with the findings of this study, the appropriate strategic position lies within Quadrant I, indicating a progressive strategy that capitalizes on the institution's strengths and external opportunities to enhance the benefits the broader community perceives.





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This article, however, is subject to certain limitations. The research is focused specifically on Muhammadiyah Higher Education institutions (PTM) and their implementation of ISE values, which may limit the generalizability of the findings to other higher education institutions beyond the Muhammadiyah network. Moreover, the study is constrained by its temporal scope, excluding potential future developments that could influence the application of ISE values in institutional management. Future research could delve into the long-term effects of ISE value integration in PTM governance and conduct comparative studies involving other Islamic higher education institutions to identify shared patterns or distinctive approaches in strategy and impact. Further investigations may also consider the role of digital transformation and technological innovation in reinforcing the implementation and sustainability of ISE principles within PTM.

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